

## Message Text

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O 101914Z JAN 78  
FM AMEMBASSY MEXICO  
TO SECSTATE WASHDC IMMEDIATE 7445  
AMEMBASSY BRASILIA IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 03 MEXICO 00417

EXDIS

BRASILIA FOR CODEL BAKER

EO 11652: GDS  
TAGS:  
8OREP, MX, PN  
SUBJECT: DISCUSSION WITH GOM ON PANAMA CANAL TREATY

EMBASSY HAS PREPARED FOLLOWING MEMORANDUM OF CONVERSATION SUMMARIZING JANUARY 9 DISCUSSIONS ON THE PANAMA CANAL TREATY WITH PRESIDENT LOPEZ PORTILLO AND FOREIGN SECRETARY ROEL. IN RESPONSE ROEL'S SPECIFIC REQUEST, THE EMBASSY AND CODEL BAKER AGREED TO SEND A COPY OF THIS MEMORANDUM TO THE GOM FOR REVIEW AND APPROVAL. WHEN GOM RESPONSE IS RECEIVED, EMBASSY WILL INFORM THE DEPARTMENT AND CODEL BAKER.

QUOTE. SUBJECT: PANAMA CANAL TREATY

PARTICIPANTS: PRESIDENT JOSE LOPEZ PORTILLO  
FOREIGN SECRETARY SANTIAGO ROEL GARCIA  
SENATOR HOWARD H. BAKER, JR.  
SENATOR EDWIN J. GARN  
MR. FRANK MOORE  
AMBASSADOR PATRICK J. LUCEY

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DATE AND PLACE: JANUARY 9, 1978, PRESIDENT'S RESIDENCE AND SECRETARIAT OF FOREIGN RELATIONS

THE FOLLOWING IS A SUMMARY OF THE JANUARY 9 CONVERSATION AT LOS PINOS INVOLVING PRESIDENT LOPEZ PORTILLO, SECRETARY ROEL, SENATORS BAKER AND GARN, MR. FRANK

MOORE, AND AMBASSADOR LUCEY CONCERNING PANAMA CANAL TREATY NEGOTIATIONS. DURING SUBSEQUENT DISCUSSION IN SECRETARY ROEL'S OFFICE, SENATOR BAKER AND OTHER PARTICIPANTS IN THE BREAKFAST CONVERSATION WITH

PRESIDENT LOPEZ PORTILLO DISCUSSED THE MAIN POINTS COVERED AND AGREED UPON AT THE LOS PINOS MEETING.

SENATOR BAKER INITIATED THE DISCUSSION AND SUMMARIZED HIS UNDERSTANDING OF THE MEETING AS FOLLOWS:

1. MEXICO UNDERSTANDS THAT PANAMA, IN FULL EXERCISE OF ITS SOVEREIGNTY, IS IN A POSITION TO ORDER ITS OWN FUTURE.
2. MEXICO IS GENERALLY SATISFIED WITH THE PROVISIONS OF THE TREATY AS SUBMITTED, PROVIDING THEY ARE ACCEPTABLE TO PANAMA.
3. MEXICO RECOGNIZES THAT IT IS THE RESPONSIBILITY OF PANAMA AND THE UNITED STATES TO AGREE UPON ANY AMENDMENTS TO THE TREATY AS DRAFTED.
4. IN THE SPIRIT OF NONINTERVENTION AND SELF-DETERMINATION, MEXICO WILL HAVE NO OBJECTION TO ANY AGREEMENTS OR AMENDMENTS REACHED BY THE U.S. AND

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PANAMA INCLUDING, IF DETERMINED BY THE PARTIES INVOLVED, ELIMINATION OF THE SEA-LEVEL CANAL PROVISION. IN ANY EVENT, PRESIDENT LOPEZ PORTILLO SAID THAT MEXICO AS A SOVEREIGN NATION COULD BUILD A SEA-LEVEL CANAL IF IT SO DESIRES.

5. MEXICO RECOGNIZES AND ACCEPTS THAT ANY FURTHER AMENDMENTS TO THE TREATY, FOR EXAMPLE REFERENCE TO PASSAGE OF WARSHIPS AND INCORPORATION OF THE OCTOBER 14 TORRIJOS-CARTER UNDERSTANDING REGARDING NEUTRALITY INTO THE TREATY, IS A MATTER FOR PANAMA TO DECIDE.

ACCORDING TO SENATOR BAKER, PRESIDENT LOPEZ PORTILLO REMARKED UPON THE DELICACY OF THE SITUATION BETWEEN PANAMA AND THE U.S. AND THE VOLATILITY OF THE CANAL ISSUE, ADDING THAT NEGOTIATION OF A NEW TREATY RELATIONSHIP WOULD SET THE TONE FOR U.S.-LATIN AMERICAN RELATIONS FOR YEARS TO COME.

SENATOR BAKER POINTED OUT THAT THE CANAL TREATY IS A VERY EMOTIONAL ISSUE IN THE U.S., AND THAT IN HIS JUDGMENT THE TREATIES IN THEIR PRESENT FORM COULD NOT

PASS THE SENATE. FROM HIS CONVERSATIONS WITH GENERAL TORRIJOS, HOWEVER, THE SENATOR HAD THE IMPRESSION, HE SAID, THAT TORRIJOS CAN ACCEPT CERTAIN AMENDMENTS TO THE TREATY. SENATOR BAKER SAID HE IS THEREFORE HOPEFUL THAT A PACKAGE OF AMENDMENTS/RESOLUTIONS CAN BE REACHED WHICH WILL BE ACCEPTABLE TO THE SENATE, THE U.S. GOVERNMENT AND PANAMA.

AMBASSADOR LUCEY OBSERVED THAT THE INSTITUTIONALIZATION OF CANAL RELATIONS WOULD HELP ASSURE ALL

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COUNTRIES OF CONTINUED USE OF THE CANAL AND GIVE THE PANAMANIAN GOVERNMENT AN IMPORTANT STAKE IN KEEPING THE CANAL OPEN.

AT THIS POINT, SENATOR GARN EMPHASIZED THE IMPORTANCE WHICH PRESIDENT LOPEZ PORTILLO ATTACHES TO THE OVER-RIDING PRINCIPLE OF SOVEREIGNTY. HE NOTED, HOWEVER, THAT THE PRESIDENT IN RECOGNIZING PANAMA'S SOVEREIGNTY WAS NOT INTERESTED IN SPECIFYING THE INDIVIDUAL PROVISIONS OF THE TREATY, WHICH ARE A MATTER OF NEGOTIATION BETWEEN THE U.S. AND PANAMA.

SENATOR GARN OBSERVED THAT THE ENTIRE TREATY PROCESS WOULD ALSO INVOLVE HEARINGS BY THE SENATE ARMED SERVICES COMMITTEE, OF WHICH HE (SENATOR GARN) IS A MEMBER. HE SAID THAT THE ARMED SERVICES COMMITTEE WOULD SOON BE HOLDING HEARINGS ON THE DEFENSE ASPECTS OF THE TREATY, PARTICULARLY THE QUESTION OF CANAL DEFENSE DURING THE TREATY PERIOD AND AFTER THE YEAR 2000.

AMBASSADOR LUCEY COMMENTED ON THE IMPORTANCE WHICH  
PRESIDENT CARTER ATTACHES TO THE TRIP OF SENATORS  
BANKER AND GARN, NOTING THAT MR. MORE, CHIEF OF THE  
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PRESIDENT'S CONGRESSIONAL RELATIONS STAFF, HAD BEEN  
INCLUDED IN THE DELEGATION. SENATOR BAKER CONCURRED,  
ADDING THAT HE HAD PERSONALLY INVITED MR. MOORE TO  
ATTEND AND STATING THATHE HAD CONVEYED FORMER PRES-  
IDENT FORD'S WARM GREETINGS TO PRESIDENT LOPEZ  
PORTILLO.

SENATOR BAKER THEN SUMMARIZED THE DISCUSSIONS HE HAD  
HAD WITH SECRETARY ROEL IN THEIR RIDE OVER FROM LOS  
PINOS TO THE SECRETARIAT. THE SENATOR SAID THAT HE  
UNDERSTOOD THE PRESIDENT TO SAY THAT MEXICO COULD  
ACCEPT ANY SUBSEQUENT AMENDMENTS TO THE TREATY AGREED  
UPON BY BOTH PANAMA AND THE UNITED STATES. IN  
OTHER WORDS, SENATOR GARN CLARIFIED, PRESIDENT LOPEZ  
PORTILLO WOULD ACCEPT ANY SUCH AMENDMENTS IN AC-  
CORDANCE WITH MEXICO'S PRINCIPLES OF SOVEREIGNTY AND  
NONINTERVENTION.

IN RESPONSE, SECRETARY ROEL SAID THIS IS A VERY DELI-  
CATE QUESTION. ON THE ONE HAND, MEXICO'S POSITION  
IS "HANDS OFF" THE TREATIES. ON THE OTHER HAND HOW-  
EVER, IT IS STRONGLY COMMITTED TO THE  
PRINCIPLE OF PANAMA RECOVERING "ITS FULL SOVEREIGNTY."  
IN THIS RESPECT, HE EXPLAINED, MEXICO'S ATTITUDE  
TOWARD THE TREATY IS CONDITIONED BY THE MANNER IN  
WHICH THE UNITED STATES' ATTITUDE TOWARD  
SOVEREIGNTY--IN THE BROADEST SENSE OF THE TERM--  
AFFECTS MEXICO.

AMBASSADOR LUCEY SAID THAT THE DISCUSSION WITH THE  
PRESIDENT HAD TOUCHED UUON MEXICO'S ATTITUDE IF THE  
PANAMA CANAL TREATY IS NOT RATIFIED BY THE SENATE.  
SECRETARY ROEL DID NOT ELABORATE ON THIS POINT EXCEPT  
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TO SAY THAT THE PRESIDENT HAD WARNED ABOUT THE CON-  
SEQUENCES OF ANARCHISM IN THE EVENT THE TREATY WERE  
NOT RATIFIED. THE SECRETARY COMMENTED THAT PRESIDENT  
LOPEZ PORTILLO IS VERY PLEASED ABOUT PRESIDENT  
CARTER'S CRITICAL ROLE IN MOVING THE PANAMA CANAL

TREATY FORWARD AFTER A PERIOD OF STALEMATE.

HE ASKED SENATOR BAKER FOR HIS ESTIMATE AS TO HOW MANY MEMBERS OF THE SENATE WERE AGAINST THE TREATY AND WHAT MODIFICATIONS, IF ANY, WOULD BE NECESSARY.

SENATOR BAKER REPLIED THAT AT THIS POINT HE DID NOT KNOW PRECISELY WHAT WOULD BE REQUIRED FOR RATIFICATION, ALTHOUGH HE THOUGHT, FOR EXAMPLE, THAT SOME AMENDMENTS REGARDING THE CARTER-TORRIJOS UNDERSTANDING ON NEUTRALITY AND THE SEA-LEVEL CANAL PROVISION MIGHT BE IN ORDER.

IN RESPONSE TO A QUESTION FROM AMBASSADOR LUCEY AS TO WHETHER AMENDMENTS TO THE TREATY WOULD REQUIRE A NEW PLEBISCITE OR OTHER STEPS TO APPROVAL BY PANAMA, SENATOR GARN OBSERVED THAT THIS IS NOT CLEAR AT THIS STAGE, ALTHOUGH GENERAL TORRIJOS HAD INDICATED THAT INCORPORATION INTO THE TREATY OF HIS OCTOBER 14 UNDERSTANDING WITH PRESIDENT CARTER REGARDING THE MEANING OF THE NEUTRALITY TREATY WOULD PROBABLY NOT CAUSE SERIOUS PROBLEMS BECAUSE THIS UNDERSTANDING HAD BEEN REACHED PRIOR TO THE PLEBISCITE IN PANAMA.

RESPONDING TO SECRETARY ROEL'S QUESTION ABOUT THE ATTITUDE OF THE SENATE, SENATOR BAKER ALSO SAID THAT

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WHILE 20 SENATORS SEEM TO BE STRONGLY OPPOSED AND ABOUT 20 ARE CLEARLY IN FAVOR, THE BALANCE, AND THEREFORE THE GREAT MAJORITY, HAVE NOT YET REACHED A DECISION. SENATOR BAKER DID NOT THINK THAT ANY

AMENDMENT INVOLVING THE PROVISION ON THE SEA-LEVEL  
CANAL WOULD POSE A SERIOUS PROBLEM.

AT THIS POINT THE DISCUSSION MOVED FROM PANAMA TO  
OTHER ISSUES, PRIMARILY INVOLVING MEXICO AND THE  
UNITED STATES. END QUOTE. LUCEY

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